

**Introduced by Senator Cox**

February 17, 2010

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An act to amend and repeal Section 130105 of, to repeal Sections 130110, 130115, 130120, 130125, 130130, 130135, 130140, 130140.1, 130145, 130150, 130151, and 130155 of, and to repeal and add Section 130100 of, the Health and Safety Code, relating to child development, and declaring the urgency thereof, to take effect immediately.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 1109, as introduced, Cox. California Children and Families Program: funding.

(1) The California Children and Families Act of 1998, an initiative measure, requires that the California Children and Families Program, established by the act, be funded by certain taxes imposed on the sale and distribution of cigarettes and tobacco products and be deposited into the California Children and Families Trust Fund, and that the fund be used for the implementation of comprehensive early childhood development and smoking prevention programs. Existing law specifies that specified percentages of moneys allocated and appropriated from the trust shall be deposited in various accounts for expenditures by the California Children and Families Commission, also known as First 5 California, for various subjects relating to, and furthering the goals and purposes of, the act.

Existing law prohibits amendment of this initiative measure by the Legislature unless the amendment is approved by the voters, or the amendment is accomplished by a vote of  $\frac{2}{3}$  of the membership of both houses of the Legislature and the amendment furthers the act and is consistent with its purposes.

This bill, subject to voter approval, would eliminate those percentages for allocations to various accounts and would, instead, provide that those funds, with specified exceptions, shall be transferred to the General Fund for appropriation by the Legislature for purposes of the Healthy Families Program and the Medi-Cal program. The bill would provide for the distribution, as prescribed, of funds held by county children and families commissions and by the California Children and Families Commission that remain unencumbered on the date that the bill's provisions are approved by the voters.

This bill would abolish the California Children and Families Commission and the county children and families commissions, effective 90 days after the bill is approved by the voters, and would repeal related obsolete provisions.

This bill would require that its provisions be submitted to the voters for approval at the next statewide election.

(2) This bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 130100 of the Health and Safety Code  
2     is repealed.  
3     ~~130100. There is hereby created a program in the state for the~~  
4     ~~purposes of promoting, supporting, and improving the early~~  
5     ~~development of children from the prenatal stage to five years of~~  
6     ~~age. These purposes shall be accomplished through the~~  
7     ~~establishment, institution, and coordination of appropriate~~  
8     ~~standards, resources, and integrated and comprehensive programs~~  
9     ~~emphasizing community awareness, education, nurturing, child~~  
10    ~~care, social services, health care, and research.~~  
11    ~~(a) It is the intent of this act to facilitate the creation and~~  
12    ~~implementation of an integrated, comprehensive, and collaborative~~  
13    ~~system of information and services to enhance optimal early~~  
14    ~~childhood development and to ensure that children are ready to~~  
15    ~~enter school. This system should function as a network that~~  
16    ~~promotes accessibility to all information and services from any~~  
17    ~~entry point into the system. It is further the intent of this act to~~  
18    ~~emphasize local decisionmaking, to provide for greater local~~

1 flexibility in designing delivery systems, and to eliminate duplicate  
2 administrative systems.

3 ~~(b) The programs authorized by this act shall be administered~~  
4 ~~by the California Children and Families Commission and by county~~  
5 ~~children and families commissions. In administering this act, the~~  
6 ~~state and county commissions shall use outcome-based~~  
7 ~~accountability to determine future expenditures.~~

8 ~~(c) This division shall be known and may be cited as the~~  
9 ~~“California Children and Families Act of 1998.”~~

10 SEC. 2. Section 130100 is added to the Health and Safety Code,  
11 to read:

12 130100. (a) The California Children and Families Trust Fund  
13 is hereby created in the State Treasury.

14 (b) The California Children and Families Trust Fund shall  
15 consist of moneys collected pursuant to the taxes imposed by  
16 Section 30131.2 of the Revenue and Taxation Code.

17 (c) All costs to implement this act shall be paid from moneys  
18 deposited in the California Children and Families Trust Fund.

19 (d) The State Board of Equalization shall determine, on a  
20 biennial basis, the effect that additional taxes imposed on cigarettes  
21 and tobacco products by this act has on the consumption of  
22 cigarettes and tobacco products in this state. To the extent that a  
23 decrease in consumption is determined by the State Board of  
24 Equalization to be the direct result of additional taxes imposed by  
25 this act, the State Board of Equalization shall determine the fiscal  
26 effect the decrease in consumption has on the funding of any  
27 Proposition 99 (the Tobacco Tax and Health Protection Act of  
28 1988) state health-related education or research programs in effect  
29 as of November 1, 1998, and the Breast Cancer Fund programs  
30 that are funded by excise taxes on cigarettes and tobacco products.  
31 Funds shall be transferred from the California Children and  
32 Families Trust Fund to those affected programs as necessary to  
33 offset the revenue decrease directly resulting from the imposition  
34 of additional taxes by this act. Funding for the Breast Cancer Fund  
35 and the Health Education Account and the Research Account in  
36 the Cigarette and Tobacco Products Surtax Fund shall not be  
37 subject to subdivision (c). These reimbursements shall occur at  
38 any time as determined necessary to further the intent of this  
39 subdivision.

(e) Except as provided in subdivision (d), moneys shall be transferred from the California Children and Families Trust Fund to the General Fund for appropriation by the Legislature for purposes of the Healthy Families Program and the Medi-Cal program.

SEC. 3. Section 130105 of the Health and Safety Code is amended to read:

130105. The California Children and Families Trust Fund is hereby created in the State Treasury.

(a) The California Children and Families Trust Fund shall consist of moneys collected pursuant to the taxes imposed by Section 30131.2 of the Revenue and Taxation Code.

(b) All costs to implement this act shall be paid from moneys deposited in the California Children and Families Trust Fund.

(c) The State Board of Equalization shall ~~determine within one year of determine, on a biennial basis, the passage of this act~~ the effect that additional taxes imposed on cigarettes and tobacco products by this act has on the consumption of cigarettes and tobacco products in this state. To the extent that a decrease in consumption is determined by the State Board of Equalization to be the direct result of additional taxes imposed by this act, the State Board of Equalization shall determine the fiscal effect the decrease in consumption has on the funding of any Proposition 99 (the Tobacco Tax and Health Protection Act of 1988) state health-related education or research programs in effect as of November 1, 1998, and the Breast Cancer Fund programs that are funded by excise taxes on cigarettes and tobacco products. Funds shall be transferred from the California Children and Families Trust Fund to those affected programs as necessary to offset the revenue decrease directly resulting from the imposition of additional taxes by this act. *Funding for the Breast Cancer Fund and the Health Education Account and the Research Account in the Cigarette and Tobacco Products Surtax Fund shall not be subject to subdivision (b).* These reimbursements shall occur, ~~and at any times, at any time~~ as determined necessary to further the intent of this subdivision.

(d) ~~Moneys~~ Except as provided in subdivision (c), moneys shall be ~~allocated and appropriated~~ transferred from the California Children and Families Trust Fund ~~as follows:~~ to the General Fund

1 *for appropriation by the Legislature for purposes of the Healthy*  
2 *Families Program and the Medi-Cal program.*

3 ~~(1) Twenty percent shall be allocated and appropriated to~~  
4 ~~separate accounts of the state commission for expenditure~~  
5 ~~according to the following formula:~~

6 ~~(A) Six percent shall be deposited in a Mass Media~~  
7 ~~Communications Account for expenditures for communications~~  
8 ~~to the general public utilizing television, radio, newspapers, and~~  
9 ~~other mass media on subjects relating to and furthering the goals~~  
10 ~~and purposes of this act, including, but not limited to, methods of~~  
11 ~~nurturing and parenting that encourage proper childhood~~  
12 ~~development, the informed selection of child care, information~~  
13 ~~regarding health and social services, the prevention and cessation~~  
14 ~~of tobacco, alcohol, and drug use by pregnant women, the~~  
15 ~~detrimental effects of secondhand smoke on early childhood~~  
16 ~~development, and to ensure that children are ready to enter school.~~  
17 ~~Any funds not needed in this account may be transferred to the~~  
18 ~~Unallocated Account described in subparagraph (F), upon approval~~  
19 ~~by the state commission.~~

20 ~~(B) Five percent shall be deposited in an Education Account~~  
21 ~~for expenditures to ensure that children are ready to enter school~~  
22 ~~and for programs relating to education, including, but not limited~~  
23 ~~to, the development of educational materials, professional and~~  
24 ~~parental education and training, and technical support for county~~  
25 ~~commissions in the areas described in subparagraph (A) of~~  
26 ~~paragraph (1) of subdivision (b) of Section 130125. Any funds not~~  
27 ~~needed in this account may be transferred to the Unallocated~~  
28 ~~Account described in subparagraph (F), upon approval by the state~~  
29 ~~commission.~~

30 ~~(C) Three percent shall be deposited in a Child Care Account~~  
31 ~~for expenditures to ensure that children are ready to enter school~~  
32 ~~and for programs relating to child care, including, but not limited~~  
33 ~~to, the education and training of child care providers, the~~  
34 ~~development of educational materials and guidelines for child care~~  
35 ~~workers, and other areas described in subparagraph (B) of~~  
36 ~~paragraph (1) of subdivision (b) of Section 130125. Any funds not~~  
37 ~~needed in this account may be transferred to the Unallocated~~  
38 ~~Account described in subparagraph (F), upon approval by the state~~  
39 ~~commission.~~

~~(D) Three percent shall be deposited in a Research and Development Account for expenditures to ensure that children are ready to enter school and for the research and development of best practices and standards for all programs and services relating to early childhood development established pursuant to this act, and for the assessment and quality evaluation of those programs and services. Any funds not needed in this account may be transferred to the Unallocated Account described in subparagraph (F), upon approval by the state commission.~~

~~(E) One percent shall be deposited in an Administration Account for expenditures for the administrative functions of the state commission. Any funds not needed for the administrative functions of the state commission may be transferred to the Unallocated Account described in subparagraph (F), upon approval by the state commission.~~

~~(F) Two percent shall be deposited in an Unallocated Account for expenditure by the state commission for any of the purposes of this act described in Section 130100 provided that none of these moneys shall be expended for the administrative functions of the state commission.~~

~~(G) In the event that, for whatever reason, the expenditure of any moneys allocated and appropriated for the purposes specified in subparagraphs (A) to (F), inclusive, is enjoined by a final judgment of a court of competent jurisdiction, then those moneys shall be available for expenditure by the state commission for mass media communication emphasizing the need to eliminate smoking and other tobacco use by pregnant women, the need to eliminate smoking and other tobacco use by persons under 18 years of age, and the need to eliminate exposure to secondhand smoke.~~

~~(H) Any moneys allocated and appropriated to any of the accounts described in subparagraphs (A) to (F), inclusive, that are not encumbered or expended within any applicable period prescribed by law shall (together with the accrued interest on the amount) revert to and remain in the same account for the next fiscal period.~~

~~(2) Eighty percent shall be allocated and appropriated to county commissions in accordance with Section 130140.~~

~~(A) The moneys allocated and appropriated to county commissions shall be deposited in each local Children and Families Trust Fund administered by each county commission, and shall~~

1 ~~be expended only for the purposes authorized by this act and in~~  
2 ~~accordance with the county strategic plan approved by each county~~  
3 ~~commission.~~

4 ~~(B) Any moneys allocated and appropriated to any of the county~~  
5 ~~commissions that are not encumbered or expended within any~~  
6 ~~applicable period prescribed by law shall (together with the accrued~~  
7 ~~interest on the amount) revert to and remain in the same local~~  
8 ~~Children and Families Trust Fund for the next fiscal period under~~  
9 ~~the same conditions as set forth in subparagraph (A).~~

10 (e) All grants, gifts, or bequests of money made to or for the  
11 benefit of the state commission from public or private sources to  
12 be used for early childhood development programs shall be  
13 deposited in the California Children and Families Trust Fund and  
14 expended for the specific purpose for which the grant, gift, or  
15 bequest was made. ~~The amount of any such grant, gift, or bequest~~  
16 ~~shall not be considered in computing the amount allocated and~~  
17 ~~appropriated to the state commission pursuant to paragraph (1) of~~  
18 ~~subdivision (d).~~

19 (f) All grants, gifts, or bequests of money made to or for the  
20 benefit of any county commission from public or private sources  
21 to be used for early childhood development programs shall be  
22 deposited in the local Children and Families Trust Fund and  
23 expended for the specific purpose for which the grant, gift, or  
24 bequest was made. ~~The amount of any such grant, gift, or bequest~~  
25 ~~shall not be considered in computing the amount allocated and~~  
26 ~~appropriated to the county commissions pursuant to paragraph (2)~~  
27 ~~of subdivision (d).~~

28 (g) *This section shall remain operative until 90 days after the*  
29 *date the act that adds this subdivision is approved by the voters,*  
30 *and as of that date is repealed.*

31 SEC. 4. Section 130110 of the Health and Safety Code is  
32 repealed.

33 ~~130110. (a) There is hereby established a California Children~~  
34 ~~and Families Commission, which may also be known as First 5~~  
35 ~~California, composed of seven voting members and two ex officio~~  
36 ~~members.~~

37 ~~(b) The voting members shall be selected, pursuant to Section~~  
38 ~~130115, from persons with knowledge, experience, and expertise~~  
39 ~~in early child development, child care, education, social services,~~  
40 ~~public health, the prevention and treatment of tobacco and other~~

1 substance abuse, behavioral health, and medicine (including, but  
2 not limited to, representatives of statewide medical and pediatric  
3 associations or societies), upon consultation with public and private  
4 sector associations, organizations, and conferences composed of  
5 professionals in these fields.

6 (e) ~~The Secretary of the California Health and Human Services~~  
7 ~~Agency and the Secretary for Education, or their designees, shall~~  
8 ~~serve as ex officio nonvoting members of the state commission.~~

9 SEC. 5. Section 130115 of the Health and Safety Code is  
10 repealed.

11 ~~130115. The Governor shall appoint three members of the state~~  
12 ~~commission, one of whom shall be designated as chairperson. One~~  
13 ~~of the Governor's appointees shall be either a county health officer~~  
14 ~~or a county health executive. The Speaker of the Assembly and~~  
15 ~~the Senate Rules Committee shall each appoint two members of~~  
16 ~~the state commission. Of the members first appointed by the~~  
17 ~~Governor, one shall serve for a term of four years, and two for a~~  
18 ~~term of two years. Of the members appointed by the Speaker of~~  
19 ~~the Assembly and the Senate Rules Committee, one appointed by~~  
20 ~~the Speaker of the Assembly and the Senate Rules Committee shall~~  
21 ~~serve for a period of four years with the other appointees to serve~~  
22 ~~for a period of three years. Thereafter, all appointments shall be~~  
23 ~~for four-year terms. No appointee shall serve as a member of the~~  
24 ~~state commission for more than two four-year terms.~~

25 SEC. 6. Section 130120 of the Health and Safety Code is  
26 repealed.

27 ~~130120. The state commission shall, within three months after~~  
28 ~~a majority of its voting members have been appointed, hire an~~  
29 ~~executive director. The state commission shall thereafter hire such~~  
30 ~~other staff as necessary or appropriate. The executive director and~~  
31 ~~staff shall be compensated as determined by the state commission,~~  
32 ~~consistent with moneys available for appropriation in the~~  
33 ~~Administration Account. All professional staff employees of the~~  
34 ~~state commission shall be exempt from civil service. The executive~~  
35 ~~director shall act under the authority of, and in accordance with~~  
36 ~~the direction of, the state commission.~~

37 SEC. 7. Section 130125 of the Health and Safety Code is  
38 repealed.

39 ~~130125. The powers and duties of the state commission shall~~  
40 ~~include, but are not limited to, the following:~~

1     ~~(a) Providing for statewide dissemination of public information~~  
2     ~~and educational materials to members of the general public and to~~  
3     ~~professionals for the purpose of developing appropriate awareness~~  
4     ~~and knowledge regarding the promotion, support, and improvement~~  
5     ~~of early childhood development.~~

6     ~~(b) Adopting guidelines for an integrated and comprehensive~~  
7     ~~statewide program of promoting, supporting, and improving early~~  
8     ~~childhood development that enhances the intellectual, social,~~  
9     ~~emotional, and physical development of children in California.~~

10    ~~(1) The state commission's guidelines shall, at a minimum,~~  
11    ~~address the following matters:~~

12    ~~(A) Parental education and support services in all areas required~~  
13    ~~for, and relevant to, informed and healthy parenting. Examples of~~  
14    ~~parental education shall include, but are not limited to, prenatal~~  
15    ~~and postnatal infant and maternal nutrition, education and training~~  
16    ~~in newborn and infant care and nurturing for optimal early~~  
17    ~~childhood development, parenting and other necessary skills, child~~  
18    ~~abuse prevention, and avoidance of tobacco, drugs, and alcohol~~  
19    ~~during pregnancy. Examples of parental support services shall~~  
20    ~~include, but are not limited to, family support centers offering an~~  
21    ~~integrated system of services required for the development and~~  
22    ~~maintenance of self-sufficiency, domestic violence prevention and~~  
23    ~~treatment, tobacco and other substance abuse control and treatment,~~  
24    ~~voluntary intervention for families at risk, and any other prevention~~  
25    ~~and family services and counseling critical to successful early~~  
26    ~~childhood development.~~

27    ~~(B) The availability and provision of high quality, accessible,~~  
28    ~~and affordable child care, both in-home and at child care facilities,~~  
29    ~~that emphasizes education, training and qualifications of care~~  
30    ~~providers, increased availability and access to child care facilities,~~  
31    ~~resource and referral services, technical assistance for caregivers,~~  
32    ~~and financial and other assistance to ensure appropriate child care~~  
33    ~~for all households.~~

34    ~~(C) The provision of child health care services that emphasize~~  
35    ~~prevention, diagnostic screenings, and treatment not covered by~~  
36    ~~other programs; and the provision of prenatal and postnatal~~  
37    ~~maternal health care services that emphasize prevention,~~  
38    ~~immunizations, nutrition, treatment of tobacco and other substance~~  
39    ~~abuse, general health screenings, and treatment services not covered~~  
40    ~~by other programs.~~

1     ~~(2) The state commission shall conduct at least one public~~  
2     ~~hearing on its proposed guidelines before they are adopted.~~

3     ~~(3) The state commission shall, on at least an annual basis,~~  
4     ~~periodically review its adopted guidelines and revise them as may~~  
5     ~~be necessary or appropriate.~~

6     ~~(e) Defining the results to be achieved by the adopted guidelines,~~  
7     ~~and collecting and analyzing data to measure progress toward~~  
8     ~~attaining these results.~~

9     ~~(d) Providing for independent research, including the evaluation~~  
10    ~~of any relevant programs, to identify the best standards and~~  
11    ~~practices for optimal early childhood development, and establishing~~  
12    ~~and monitoring demonstration projects.~~

13    ~~(e) Soliciting input regarding program policy and direction from~~  
14    ~~individuals and entities with experience in early childhood~~  
15    ~~development, facilitating the exchange of information between~~  
16    ~~these individuals and entities, and assisting in the coordination of~~  
17    ~~the services of public and private agencies to deal more effectively~~  
18    ~~with early childhood development.~~

19    ~~(f) Providing technical assistance to county commissions in~~  
20    ~~adopting and implementing county strategic plans for early~~  
21    ~~childhood development.~~

22    ~~(g) Reviewing and considering the annual audits and reports~~  
23    ~~transmitted by the county commissions and, following a public~~  
24    ~~hearing, adopting a written report that consolidates, summarizes,~~  
25    ~~analyzes, and comments on those annual audits and reports.~~

26    ~~(h) Applying for gifts, grants, donations, or contributions of~~  
27    ~~money, property, facilities, or services from any person,~~  
28    ~~corporation, foundation, or other entity, or from the state or any~~  
29    ~~agency or political subdivision thereof, or from the federal~~  
30    ~~government or any agency or instrumentality thereof, in furtherance~~  
31    ~~of a statewide program of early childhood development.~~

32    ~~(i) Entering into any contracts and allocating funds to county~~  
33    ~~commissions as necessary or appropriate to carry out the provisions~~  
34    ~~and purposes of this act.~~

35    ~~(j) Making recommendations to the Governor and the Legislature~~  
36    ~~for changes in state laws, regulations, and services necessary or~~  
37    ~~appropriate to carry out an integrated and comprehensive program~~  
38    ~~of early childhood development in an effective and cost-efficient~~  
39    ~~manner.~~

1 SEC. 8. Section 130130 of the Health and Safety Code is  
2 repealed.

3 ~~130130. Procedures for the conduct of business by the state~~  
4 ~~commission not specified in this act shall be contained in bylaws~~  
5 ~~adopted by the state commission. A majority of the voting members~~  
6 ~~of the state commission shall constitute a quorum. All decisions~~  
7 ~~of the state commission, including the hiring of the executive~~  
8 ~~director, shall be by a majority of four votes.~~

9 SEC. 9. Section 130135 of the Health and Safety Code is  
10 repealed.

11 ~~130135. Voting members of the state commission shall not be~~  
12 ~~compensated for their services, except that they shall be paid~~  
13 ~~reasonable per diem and reimbursement of reasonable expenses~~  
14 ~~for attending meetings and discharging other official~~  
15 ~~responsibilities as authorized by the state commission.~~

16 SEC. 10. Section 130140 of the Health and Safety Code is  
17 repealed.

18 ~~130140. Any county or counties developing, adopting,~~  
19 ~~promoting, and implementing local early childhood development~~  
20 ~~programs consistent with the goals and objectives of this act shall~~  
21 ~~receive moneys pursuant to paragraph (2) of subdivision (d) of~~  
22 ~~Section 130105 in accordance with the following provisions:~~

23 ~~(a) For the period between January 1, 1999, and June 30, 2000,~~  
24 ~~county commissions shall receive the portion of the total moneys~~  
25 ~~available to all county commissions equal to the percentage of the~~  
26 ~~number of births recorded in the relevant county (for the most~~  
27 ~~recent reporting period) in proportion to the entire number of births~~  
28 ~~recorded in California (for the same period), provided that each~~  
29 ~~of the following requirements has first been satisfied:~~

30 ~~(1) The county's board of supervisors has adopted an ordinance~~  
31 ~~containing the following minimum provisions:~~

32 ~~(A) The establishment of a county children and families~~  
33 ~~commission. The county commission shall be appointed by the~~  
34 ~~board of supervisors and shall consist of at least five but not more~~  
35 ~~than nine members.~~

36 ~~(i) Two members of the county commission shall be from among~~  
37 ~~the county health officer and persons responsible for management~~  
38 ~~of the following county functions: children's services, public health~~  
39 ~~services, behavioral health services, social services, and tobacco~~  
40 ~~and other substance abuse prevention and treatment services.~~

1     (ii) ~~One member of the county commission shall be a member~~  
2     ~~of the board of supervisors.~~

3     (iii) ~~The remaining members of the county commission shall~~  
4     ~~be from among the persons described in clause (i) and persons~~  
5     ~~from the following categories: recipients of project services~~  
6     ~~included in the county strategic plan; educators specializing in~~  
7     ~~early childhood development; representatives of a local child care~~  
8     ~~resource or referral agency, or a local child care coordinating group;~~  
9     ~~representatives of a local organization for prevention or early~~  
10    ~~intervention for families at risk; representatives of~~  
11    ~~community-based organizations that have the goal of promoting~~  
12    ~~nurturing and early childhood development; representatives of~~  
13    ~~local school districts; and representatives of local medical,~~  
14    ~~pediatric, or obstetric associations or societies.~~

15    (B) ~~The manner of appointment, selection, or removal of~~  
16    ~~members of the county commission, the duration and number of~~  
17    ~~terms county commission members shall serve, and any other~~  
18    ~~matters that the board of supervisors deems necessary or convenient~~  
19    ~~for the conduct of the county commission's activities, provided~~  
20    ~~that members of the county commission shall not be compensated~~  
21    ~~for their services, except they shall be paid reasonable per diem~~  
22    ~~and reimbursement of reasonable expenses for attending meetings~~  
23    ~~and discharging other official responsibilities as authorized by the~~  
24    ~~county commission.~~

25    (C) ~~The requirement that the county commission adopt an~~  
26    ~~adequate and complete county strategic plan for the support and~~  
27    ~~improvement of early childhood development within the county.~~

28    (i) ~~The county strategic plan shall be consistent with, and in~~  
29    ~~furtherance of the purposes of, this act and any guidelines adopted~~  
30    ~~by the state commission pursuant to subdivision (b) of Section~~  
31    ~~130125 that are in effect at the time the plan is adopted.~~

32    (ii) ~~The county strategic plan shall, at a minimum, include the~~  
33    ~~following: a description of the goals and objectives proposed to~~  
34    ~~be attained; a description of the programs, services, and projects~~  
35    ~~proposed to be provided, sponsored, or facilitated; and a description~~  
36    ~~of how measurable outcomes of such programs, services, and~~  
37    ~~projects will be determined by the county commission using~~  
38    ~~appropriate reliable indicators. No county strategic plan shall be~~  
39    ~~deemed adequate or complete until and unless the plan describes~~  
40    ~~how programs, services, and projects relating to early childhood~~

1 development within the county will be integrated into a  
2 consumer-oriented and easily accessible system.

3 (iii) The county commission shall, on at least an annual basis,  
4 be required to review its county strategic plan and to revise the  
5 plan as may be necessary or appropriate.

6 (iv) The county commission shall measure the outcomes of  
7 county funded programs through the use of applicable, reliable  
8 indicators and review that information on a periodic basis as part  
9 of the public review of its county strategic plan.

10 (D) The requirement that the county commission conduct at  
11 least one public hearing on its proposed county strategic plan before  
12 the plan is adopted.

13 (E) The requirement that the county commission conduct at  
14 least one public hearing on its periodic review of the county  
15 strategic plan before any revisions to the plan are adopted.

16 (F) The requirement that the county commission submit its  
17 adopted county strategic plan, and any subsequent revisions thereto,  
18 to the state commission.

19 (G) The requirement that the county commission prepare and  
20 adopt an annual audit and report pursuant to Section 130150. The  
21 county commission shall conduct at least one public hearing prior  
22 to adopting any annual audit and report.

23 (H) The requirement that the county commission conduct at  
24 least one public hearing on each annual report by the state  
25 commission prepared pursuant to subdivision (b) of Section  
26 130150.

27 (I) Two or more counties may form a joint county commission,  
28 adopt a joint county strategic plan, or implement joint programs,  
29 services, or projects.

30 (2) The county's board of supervisors has established a county  
31 commission and has appointed a majority of its members.

32 (3) The county has established a local Children and Families  
33 Trust Fund pursuant to subparagraph (A) of paragraph (2) of  
34 subdivision (d) of Section 130105.

35 (b) Notwithstanding any provision of this act to the contrary,  
36 no moneys made available to county commissions under  
37 subdivision (a) shall be expended to provide, sponsor, or facilitate  
38 any programs, services, or projects for early childhood development  
39 until and unless the county commission has first adopted an  
40 adequate and complete county strategic plan that contains the

1 provisions required by clause (ii) of subparagraph (C) of paragraph  
2 (1) of subdivision (a):

3 ~~(e) In the event that any county elects not to participate in the~~  
4 ~~California Children and Families Program, the moneys remaining~~  
5 ~~in the California Children and Families Trust Fund shall be~~  
6 ~~reallocated and reappropriated to participating counties in the~~  
7 ~~following fiscal year.~~

8 ~~(d) For the fiscal year commencing on July 1, 2000, and for~~  
9 ~~each fiscal year thereafter, county commissions shall receive the~~  
10 ~~portion of the total moneys available to all county commissions~~  
11 ~~equal to the percentage of the number of births recorded in the~~  
12 ~~relevant county (for the most recent reporting period) in proportion~~  
13 ~~to the number of births recorded in all of the counties participating~~  
14 ~~in the California Children and Families Program (for the same~~  
15 ~~period), provided that each of the following requirements has first~~  
16 ~~been satisfied:~~

17 ~~(1) The county commission has, after the required public~~  
18 ~~hearings, adopted an adequate and complete county strategic plan~~  
19 ~~conforming to the requirements of subparagraph (C) of paragraph~~  
20 ~~(1) of subdivision (a), and has submitted the plan to the state~~  
21 ~~commission.~~

22 ~~(2) The county commission has conducted the required public~~  
23 ~~hearings, and has prepared and submitted all audits and reports~~  
24 ~~required pursuant to Section 130150.~~

25 ~~(3) The county commission has conducted the required public~~  
26 ~~hearings on the state commission annual reports prepared pursuant~~  
27 ~~to subdivision (b) of Section 130150.~~

28 ~~(4) The county commission, in a public hearing, has adopted~~  
29 ~~policies that are consistent with the following state laws:~~

30 ~~(A) With regard to conflict of interest of the commission~~  
31 ~~members, the county commission's policies shall be consistent~~  
32 ~~with Article 4 (commencing with Section 1090) of Chapter 1 of~~  
33 ~~Division 4 of Title 1 of the Government Code, Article 4.7~~  
34 ~~(commencing with Section 1125) of Chapter 1 of Division 4 of~~  
35 ~~Title 1 of the Government Code, and Chapter 7 (commencing with~~  
36 ~~Section 87100) of Title 9 of the Government Code.~~

37 ~~(B) With regard to contracting and procurement, the county~~  
38 ~~commission's policies shall be consistent with Article 7~~  
39 ~~(commencing with Section 54201) of Chapter 5 of Part 1 of~~  
40 ~~Division 2 of Title 5 of the Government Code, Chapter 2~~

1 ~~(commencing with Section 2000) of Part 1 of Division 2 of the~~  
2 ~~Public Contract Code, Section 3410 of the Public Contract Code,~~  
3 ~~and Chapter 3.5 (commencing with Section 22150) of Part 3 of~~  
4 ~~Division 2 of the Public Contract Code.~~

5 ~~(5) The county commission, in a public hearing, has adopted a~~  
6 ~~limit on the percentage of the county commission's operating~~  
7 ~~budget that may be spent on administrative functions, pursuant to~~  
8 ~~guidelines issued by the state commission that define administrative~~  
9 ~~functions.~~

10 ~~(6) The county commission has adopted, in a public hearing,~~  
11 ~~policies and processes establishing the salaries and benefits of~~  
12 ~~employees of the county commission. Salaries and benefits shall~~  
13 ~~conform with established county commission or county government~~  
14 ~~policies.~~

15 ~~(e) In the event that any county elects not to continue~~  
16 ~~participation in the California Children and Families Program, any~~  
17 ~~unencumbered and unexpended moneys remaining in the local~~  
18 ~~Children and Families Trust Fund shall be returned to the California~~  
19 ~~Children and Families Trust Fund for reallocation and~~  
20 ~~reappropriation to participating counties in the following fiscal~~  
21 ~~year.~~

22 ~~(f) For purposes of this section, "relevant county" means the~~  
23 ~~county in which the mother of the child whose birth is being~~  
24 ~~recorded resides.~~

25 ~~SEC. 11. Section 130140.1 of the Health and Safety Code is~~  
26 ~~repealed.~~

27 ~~130140.1. (a) In the event a county elects to participate in the~~  
28 ~~California Children and Families Program, and satisfies the~~  
29 ~~requirements set forth in Section 130140, the county may establish~~  
30 ~~a county commission that is either of the following:~~

31 ~~(1) A legal public entity separate from the county.~~

32 ~~(2) An agency of the county with independent authority over~~  
33 ~~the strategic plan described in Section 130140 and the local trust~~  
34 ~~fund established pursuant to subparagraph (A) of paragraph (2) of~~  
35 ~~subdivision (d) of Section 130105.~~

36 ~~(b) In the event a county elects to establish a county commission~~  
37 ~~as specified in paragraph (1) of subdivision (a), the following~~  
38 ~~conditions shall apply:~~

1     ~~(1) The county commission shall be considered a legal public~~  
2     ~~entity separate from the county, and shall file a statement as~~  
3     ~~required by Section 53051 of the Government Code.~~

4     ~~(2) The powers, duties, and responsibilities of the county~~  
5     ~~commission shall include, but shall not be limited to, the following:~~

6     ~~(A) The power to employ personnel and contract for personal~~  
7     ~~services required to meet its obligations.~~

8     ~~(B) The power to enter into any contracts necessary or~~  
9     ~~appropriate to carry out the provisions of this division.~~

10    ~~(C) The power to acquire, possess, and dispose of real or~~  
11    ~~personal property, as necessary or appropriate to carry out the~~  
12    ~~provisions and purposes of this division.~~

13    ~~(D) The power to sue or be sued.~~

14    ~~(3) The county commission shall be deemed to be a public~~  
15    ~~agency that is a unit of local government for purposes of all grant~~  
16    ~~programs and other funding and loan guarantee programs.~~

17    ~~(4) Any obligations of the county commission, statutory,~~  
18    ~~contractual, or otherwise, shall be obligations solely of the~~  
19    ~~commission.~~

20    ~~(5) All claims or actions for money or damages against a county~~  
21    ~~commission shall be governed by Part 3 (commencing with Section~~  
22    ~~900) and Part 4 (commencing with Section 940) of Division 3.6~~  
23    ~~of Title 1 of the Government Code, except as provided by other~~  
24    ~~statutes or regulations that expressly apply to county commissions.~~

25    ~~(6) The county commission, its members, and its employees~~  
26    ~~are protected by the immunities applicable to public entities and~~  
27    ~~public employees governed by Part 1 (commencing with Section~~  
28    ~~810) and Part 2 (commencing with Section 814) of Division 3.6~~  
29    ~~of Title 1 of the Government Code, except as provided by other~~  
30    ~~statutes or regulations that apply expressly to the county~~  
31    ~~commissions.~~

32    ~~(7) If a county board of supervisors elects not to continue the~~  
33    ~~county's participation in the California Children and Families~~  
34    ~~Program, the board shall adopt an ordinance terminating the county~~  
35    ~~commission.~~

36    ~~(A) In terminating its county commission, the board of~~  
37    ~~supervisors shall allow, to the extent possible, an appropriate~~  
38    ~~transition period to allow for the county commission's then-existing~~  
39    ~~obligations to be satisfied.~~

1     ~~(B) In event of termination, any unencumbered and unexpended~~  
2     ~~moneys remaining in the local Children and Families Trust Fund~~  
3     ~~shall be distributed pursuant to subdivision (c) of Section 130140.~~

4     ~~(C) Prior to the termination of the county commission, the board~~  
5     ~~of supervisors shall notify the state Children and Families~~  
6     ~~Commission of its intent to terminate the county commission.~~

7     ~~(D) The liabilities of the county commission shall not become~~  
8     ~~obligations of the county upon either the termination of the county~~  
9     ~~commission or the liquidation or disposition of the county~~  
10    ~~commission's remaining assets.~~

11    ~~(e) If a county elects to establish a county commission as~~  
12    ~~provided in paragraph (2) of subdivision (a), the county~~  
13    ~~commission shall be deemed to be an agency of the county with~~  
14    ~~independent authority over the strategic plan described in Section~~  
15    ~~130140 and the local Children and Families Trust Fund established~~  
16    ~~pursuant to subparagraph (A) of paragraph (2) of subdivision (d)~~  
17    ~~of Section 130105.~~

18    ~~(d) Any county commission established prior to the effective~~  
19    ~~date of this section that substantially complies with the provisions~~  
20    ~~of either subdivision (b) or (c) shall be deemed to be in compliance~~  
21    ~~with this section.~~

22    ~~(e) (1) Individually identifiable physical or mental health~~  
23    ~~information, substance abuse information, child care or education~~  
24    ~~information, personnel or employment information, financial~~  
25    ~~information, criminal justice information, or demographic~~  
26    ~~information, regarding a child or a child's parent, legal guardian,~~  
27    ~~or other family member, that is provided to a county commission~~  
28    ~~by a parent, legal guardian, family member, health care provider,~~  
29    ~~health plan, public health authority, school, law enforcement~~  
30    ~~agency, social services agency, probation agency, or any other~~  
31    ~~source, shall be considered confidential, and may be disclosed~~  
32    ~~only to a person, agency, or entity that receives funding from the~~  
33    ~~county commission, by way of a grant award or contract or as a~~  
34    ~~service provider for the provision of early childhood services, and~~  
35    ~~only to the extent necessary to the provision of services, unless~~  
36    ~~further disclosure is authorized by a written consent of the parent~~  
37    ~~or legal guardian, or where disclosure is required by state or federal~~  
38    ~~law.~~

39    ~~(2) Confidential information identified in accordance with this~~  
40    ~~section shall not be subject to disclosure under the California Public~~

1 ~~Records Act (Chapter 3.5 (commencing with Section 6250) of~~  
2 ~~Division 7 of Title 1 of the Government Code).~~

3 SEC. 12. Section 130145 of the Health and Safety Code is  
4 repealed.

5 ~~130145. The state commission and each county commission~~  
6 ~~shall establish one or more advisory committees to provide~~  
7 ~~technical and professional expertise and support for any purposes~~  
8 ~~that will be beneficial in accomplishing the purposes of this act.~~  
9 ~~Each advisory committee shall meet and shall make~~  
10 ~~recommendations and reports as deemed necessary or appropriate.~~

11 SEC. 13. Section 130150 of the Health and Safety Code is  
12 repealed.

13 ~~130150. (a) On or before October 15 of each year, each county~~  
14 ~~commission shall conduct an audit of, and issue a written report~~  
15 ~~on the implementation and performance of, its functions during~~  
16 ~~the preceding fiscal year, including, at a minimum, the manner in~~  
17 ~~which funds were expended, the progress toward, and the~~  
18 ~~achievement of, program goals and objectives, and information~~  
19 ~~on programs funded and populations served for all funded~~  
20 ~~programs.~~

21 ~~On or before November 1 of each year, each county commission~~  
22 ~~shall submit its audit and report to the state commission for~~  
23 ~~inclusion in the state commission's consolidated report required~~  
24 ~~in subdivision (b). Each commission shall submit its report in a~~  
25 ~~format prescribed by the state commission if the state commission~~  
26 ~~approves that format in a public meeting prior to the fiscal year~~  
27 ~~during which it is to be used by the county commissions. The state~~  
28 ~~commission shall develop the format in consultation with the~~  
29 ~~county commissions.~~

30 ~~(b) The state commission shall, on or before January 31 of each~~  
31 ~~year, do both of the following:~~

32 ~~(1) Conduct an audit and prepare a written report on the~~  
33 ~~implementation and performance of the state commission functions~~  
34 ~~during the preceding fiscal year, including, at a minimum, the~~  
35 ~~manner in which funds were expended and the progress toward,~~  
36 ~~and the achievement of, program goals and objectives.~~

37 ~~(2) Prepare a written report that consolidates, summarizes,~~  
38 ~~analyzes, and comments on the annual audits and reports submitted~~  
39 ~~by all of the county commissions and the Controller for the~~  
40 ~~preceding fiscal year. The written report shall include a listing, by~~

1 category, of the aggregate expenditures on program areas funded  
2 by the state and county commissions pursuant to the purposes of  
3 this act, according to a format prescribed by the state commission.  
4 This report by the state commission shall be transmitted to the  
5 Governor, the Legislature, and each county commission.

6 (3) ~~In the event a county commission does not submit the~~  
7 ~~information prescribed in subdivision (a), the state commission~~  
8 ~~may withhold funds that would otherwise have been allocated to~~  
9 ~~the county commission from the California Children and Families~~  
10 ~~Trust Fund pursuant to Section 130140 until the county commission~~  
11 ~~submits the data as required by subdivision (a).~~

12 (e) ~~The state commission shall make copies of each of its annual~~  
13 ~~audits and reports available to members of the general public on~~  
14 ~~request and at no cost. The state commission shall furnish each~~  
15 ~~county commission with copies of those documents in a number~~  
16 ~~sufficient for local distribution by the county commission to~~  
17 ~~members of the general public on request and at no cost.~~

18 (d) ~~Each county commission shall make copies of its annual~~  
19 ~~audits and reports available to members of the general public on~~  
20 ~~request and at no cost.~~

21 SEC. 14. Section 130151 of the Health and Safety Code is  
22 repealed.

23 130151. (a) ~~In addition to the requirements in Section 130150,~~  
24 ~~the Controller shall issue guidelines for expanded annual audits~~  
25 ~~of each county commission required pursuant to subdivision (b)~~  
26 ~~of Section 130150 and associated quality control functions, subject~~  
27 ~~to funding by the state commission.~~

28 (b) ~~The scope of the audits shall address a review of county~~  
29 ~~commission policies and practices with respect to the following~~  
30 ~~elements:~~

31 (1) ~~Contracting and procurement policies, to determine whether~~  
32 ~~they are in place pursuant to paragraph (4) of subdivision (d) of~~  
33 ~~Section 130140, whether state and county commissions are~~  
34 ~~operating in accordance with these policies, and whether these~~  
35 ~~policies contain provisions to ensure that the grants and contracts~~  
36 ~~are consistent with the state or county commission's strategic plan.~~

37 (2) ~~Administrative costs, to ensure that the county commission's~~  
38 ~~definitions comply with the state commission's guidelines and that~~  
39 ~~the county commission has a process in place to monitor these~~  
40 ~~costs.~~

1 ~~(3) Policies and procedures, established pursuant to paragraph~~  
2 ~~(4) of subdivision (d) of Section 130140, designed to assure~~  
3 ~~compliance by the state commission and county commissions with~~  
4 ~~all applicable state and local conflict-of-interest statutes and~~  
5 ~~regulations.~~

6 ~~(4) Policies and practices designed to assure that county~~  
7 ~~commissions are adhering to county commission ordinances~~  
8 ~~established pursuant to paragraph (1) of subdivision (a) of Section~~  
9 ~~130140.~~

10 ~~(5) Long-range financial plans, to determine whether state and~~  
11 ~~county commissions have these plans and that the plans have been~~  
12 ~~formally adopted by the commission in a public hearing.~~

13 ~~(6) Financial condition of the commission.~~

14 ~~(7) Amount commissions spend on program evaluation and the~~  
15 ~~documented results of these expenditures.~~

16 ~~(8) Salaries and benefit policies, to determine whether the county~~  
17 ~~commission's employee salaries and benefits comply with the~~  
18 ~~policies that the county commission adopted pursuant to paragraph~~  
19 ~~(6) of subdivision (d) of Section 130140.~~

20 ~~(c) The auditor for the state commission or the county~~  
21 ~~commission shall submit each audit report, upon completion,~~  
22 ~~simultaneously to both the Controller and to the state commission~~  
23 ~~or applicable county commission.~~

24 ~~(d) The state commission and each respective county~~  
25 ~~commission shall schedule a public hearing within two months of~~  
26 ~~receipt of the audit to discuss findings within the report and any~~  
27 ~~response to the findings. Within two weeks of the public hearing,~~  
28 ~~the state or county commission shall submit to the Controller a~~  
29 ~~response to the audit findings.~~

30 ~~(e) Within six months of the state or county commission's~~  
31 ~~response pursuant to subdivision (d), the Controller shall determine~~  
32 ~~whether a county commission has successfully corrected its~~  
33 ~~practices in response to the findings contained in the audit report.~~  
34 ~~The Controller may, after that determination, recommend to the~~  
35 ~~state commission to withhold the allocation of money that the~~  
36 ~~county commission would otherwise receive from the California~~  
37 ~~Children and Families Trust Fund until the Controller determines~~  
38 ~~that the county commission has a viable plan and the ability to~~  
39 ~~correct the practices identified in the audit.~~

1     ~~(f) The Controller shall prepare a summary report of the final~~  
2     ~~audits and submit the report to the state commission by November~~  
3     ~~1 of each year for inclusion in the annual report required pursuant~~  
4     ~~to subdivision (b) of Section 130150.~~

5     ~~(g) On or before April 30, 2006, the Controller shall present to~~  
6     ~~the state commission in a public meeting the final audit guidelines~~  
7     ~~and implementation plan. When developing the guidelines, the~~  
8     ~~Controller shall consider the reasonableness of the projected costs~~  
9     ~~and administrative burden of the required audit functions.~~

10    SEC. 15. Section 130155 of the Health and Safety Code is  
11    repealed.

12    ~~130155. The following definitions apply for purposes of this~~  
13    ~~act:~~

14    ~~(a) "Act" means the California Children and Families Act of~~  
15    ~~1998.~~

16    ~~(b) "County commission" means each county children and~~  
17    ~~families commission established in accordance with Section~~  
18    ~~130140.~~

19    ~~(c) "County strategic plan" means the plan adopted by each~~  
20    ~~county children and families commission and submitted to the~~  
21    ~~California Children and Families Commission pursuant to Section~~  
22    ~~130140.~~

23    ~~(d) "State commission" means the California Children and~~  
24    ~~Families Commission established in accordance with Section~~  
25    ~~130110.~~

26    SEC. 16. (a) Each county commission established pursuant to  
27    Division 108 (commencing with Section 130100) of the Health  
28    and Safety Code shall distribute local Children and Families Trust  
29    Fund moneys that remain unencumbered as of the date that this  
30    act is approved by the voters, as provided in subdivision (b).

31    (b) (1) The county commission shall distribute 50 percent of  
32    the unencumbered moneys in the local Children and Families Trust  
33    Fund as of the date this act is approved by the voters, to the county  
34    office of education. The county office of education shall share  
35    these funds with the school districts in the county, pursuant to a  
36    distribution formula based on average daily attendance (ADA) for  
37    the immediately preceding school year for the county office of  
38    education and each school district. The county office of education  
39    shall distribute funds received from the county commission in  
40    accordance with this formula, within 90 days after receipt. Funds

1 distributed pursuant to this paragraph shall be expended by the  
2 county office of education and school districts for any lawful  
3 purpose related to the operation of the county office of education  
4 or school district.

5 (2) The county commission shall distribute 50 percent of the  
6 unencumbered moneys in the local Children and Families Trust  
7 Fund as of the date this act is approved by the voters, to the county  
8 treasurer. Within 90 days after receipt, the county treasurer shall  
9 deposit 50 percent of the amount received into the county general  
10 fund, and shall distribute the remaining 50 percent to the  
11 incorporated cities within the county, divided on a per capita basis.  
12 If there are no incorporated cities within the county, the treasurer  
13 shall deposit the total amount received into the county general  
14 fund.

15 (3) Each county office of education may retain not more than  
16 sixty thousand dollars (\$60,000) of the total amount distributed to  
17 the county office of education for administrative purposes. Each  
18 county treasurer may retain not more than sixty thousand dollars  
19 (\$60,000) of the total amount distributed to the county treasurer  
20 for administrative purposes.

21 (c) Any unencumbered moneys from the California Children  
22 and Families Trust Fund held by the California Children and  
23 Families Commission on the date this act is approved by the voters  
24 shall be deposited into the General Fund. Moneys deposited into  
25 the General Fund pursuant to this subdivision shall not be subject  
26 to the expenditure limitations contained in subdivision (d) of  
27 Section 130105 of the Health and Safety Code, as amended by  
28 Section 3 of this act.

29 SEC. 17. (a) The California Children and Families Commission  
30 established pursuant to Section 130110 of the Health and Safety  
31 Code shall be abolished 90 days after the date that this act is  
32 approved by the voters. Existing contracts and obligations of the  
33 commission as of that date shall be assumed by the Secretary of  
34 California Health and Human Services, or his or her designee.

35 (b) County children and families commissions established  
36 pursuant to Section 130140 of the Health and Safety Code shall  
37 be abolished 90 days after the date that this act is approved by the  
38 voters. Existing contracts and obligations of each commission as  
39 of that date shall be assumed by the respective counties.

1 SEC. 18. Sections 1, 2, and 4 to 15, inclusive, of this act shall  
2 become operative 90 days after the date this act is approved by the  
3 voters.

4 SEC. 19. (a) As an amendment of an initiative statute, Sections  
5 1 to 18, inclusive, of this act shall become effective only upon  
6 approval by the voters at a statewide election.

7 (b) Sections 1 to 18, inclusive, of this act shall be submitted to  
8 the voters at the next statewide election in accordance with  
9 provisions of the Government Code and the Elections Code  
10 governing the submission of a statewide measure to the voters.

11 SEC. 20. The provisions of this act are severable. If any  
12 provision of this act or its application is held invalid, that invalidity  
13 shall not affect other provisions or applications that can be given  
14 effect without the invalid provision or application.

15 SEC. 21. This act is an urgency statute necessary for the  
16 immediate preservation of the public peace, health, or safety within  
17 the meaning of Article IV of the Constitution and shall go into  
18 immediate effect. The facts constituting the necessity are:

19 In order to provide critical funding for health care services that  
20 have been jeopardized by the current budgetary crisis, it is  
21 necessary that this act take effect immediately.